



Open Report on behalf of Executive Director of Place

Report to:	Highways and Transport Scrutiny Committee
Date:	12 September 2022
Subject:	Transport Quarter 1 Performance Report 2022/23

Summary:

The purpose of this report is to provide the Committee with the first of what will become quarterly performance reports in relation to passenger transport and the Council's Transport Services.

Aligned to many other local authorities across the UK, Lincolnshire County Council's Transport Services contracts and manages passenger transport on behalf of the Place Directorate, Children's Services Directorate and Adult Care Directorate and local bus transport – supported routes, fully funded fixed routes and demand responsive routes using the CallConnect service. Transport Services serves the people of Lincolnshire by enabling them to travel in order to access their requirements.

Local authorities have a statutory duty to identify transport needs and to provide services where these needs would not otherwise be met. They also have statutory obligations to provide educational travel, social care transport and to secure local bus services where none are provided commercially and which the Council determines socially necessary.

There is an opportunity to develop a new vision and strategy for passenger transport, strengthened with the adoption of the Local Transport Plans. In order to achieve this, a proactive, driven and coordinated approach is required. Fundamentally, an integrated transport network remains the desired outcome.

This report provides an overview of the issues, opportunities and drivers for change currently facing passenger transport. It also summarises the key priorities of Transport Services, including an update on the Educational Travel Transformation Programme and on Transport Services' plans surrounding future performance measures and reporting.

Actions Required:

The Highway and Transport Scrutiny Committee is requested to consider and comment on the detail of the report and recommend any changes or actions to the Executive Member for Highways, Transport and IT.

1. Background

1.1 Transport Services and Lincolnshire's passenger transport

- 1.1.1 Aligned to many other local authorities across the UK, Lincolnshire County Council's Transport Services contracts and manages the following passenger transport on behalf of the Place Directorate, Children's Services Directorate and Adult Care Directorate: Mainstream and SEND educational travel; Post 16 Educational travel; Adult social care transport (including elderly person's care); Children's social care (including children with disability) and local bus transport – supported routes, fully funded fixed routes and demand responsive routes using the CallConnect service. Transport Services serves the people of Lincolnshire by enabling them to travel in order to access their requirements. It operates as an integrated delivery team within the authority, providing cost efficiency to the Council in taking this approach. The Transport Services is working increasingly closely with the Sustainability Team in the Environment Service, which has responsibility for sustainable and active travel, previously delivered within Transport Services, and with the Council's Strategic Transport Team, responsible for the development and implementation of the Local Transport Plan, and for taking a lead on rail travel in the county.
- 1.1.2 Local authorities have a statutory duty to identify transport needs and to provide services where these needs would not otherwise be met. They also have statutory obligations to provide educational travel, social care transport and to secure local bus services where none are provided commercially and which the Council determines socially necessary. Commercial operators have no legal requirement to run loss-making services.
- 1.1.3 Across Lincolnshire, passenger transport services are commissioned by different organisations and different departments within those organisations. Services range from statutory to discretionary provision, including socially necessary local bus services contracted by the Council, non-emergency patient transport services contracted by the NHS, commercial bus services, and demand responsive services run by the Council and community groups. The provision of accessible transportation is important to a range of passengers – for example, jobseekers, those in education and those seeking healthcare. It also contributes to the well-being of older people and reduces social isolation – this is a particular issue for rural counties such as Lincolnshire.
- 1.1.4 As the public transport network in Lincolnshire changes and adapts post-covid, combined with the service wide transformational programme, work to redefine the vision and strategy will become a priority. In order to achieve this, a proactive, driven and coordinated approach is required. The opportunity to explore an integrated transport network that would fundamentally change the way in which public transport networked operated in Lincolnshire remains the desired outcome.
- 1.1.5 In 2015, the Department for Transport (DfT) launched the Total Transport Pilot Fund which aimed to assist local authorities in England to try new and better ways of delivering joined-up local transport in rural and isolated areas. The Council was successful in being awarded funding to focus on the feasibility of integrating the organisation and delivery of transport services through the development of a one-stop-

shop approach. Whilst the project did achieve some interesting findings, there were significant barriers to achieving any significant change, many of which are yet to be overcome – there are, however, new opportunities and drivers for change.

1.2 Opportunities and drivers for change

1.2.1 The Council's Transport Services has new leadership and management – with this, comes new momentum and the ability to drive forward on creating an effective and efficient integrated passenger transport network for Lincolnshire, meeting the needs of its residents and visitors, and aligned to the county's Corporate Plan. Transport Services is currently focusing on internal transformation, alongside working with the supplier market of transport operators establish the conditions and the right basis for a vision and strategy for passenger transport in Lincolnshire.

1.2.2 Integrated passenger transport network – Transport Services is taking a more integrated approach in how it plans and delivers transport, and whilst there remains work to be done, this approach has identified the potential surrounding the significant numbers of pupils not eligible for free educational travel, who travel to and from school often on transport contracts privately organised by mainstream schools. This has the potential to support the bus network as a whole, including the commercial network, if we take an integrated approach and work in partnership with schools – several schools have already contacted Transport Services to instigate the discussions. An integrated network would also maximise the opportunities surrounding the Non-Emergency Passenger Transport (NEPT) commissioned by the NHS – greater collaboration between Transport Services and the NHS would enable the patronage of the NEPT passenger transport to be factored into an integrated network, generating efficiencies through optimised routes and more efficient use of market resources.

1.2.3 The passenger transport industry is facing numerous pressures – delivery costs continuing to increase, public funding continuing to decrease with the Government withdrawing its support to commercial bus operators in March 2023 (extended from September 2022 in recognition of the ongoing market recovery), passenger demand having been impacted negatively by Covid, whilst the level of passengers with more complex needs is increasing. All of these pressures are having an impact on the commercial viability of all transport operators, from small and medium taxi companies through to the larger bus operators. As the Local Transport Authority, the Council needs to determine its level and nature of intervention, in order to meet the needs of residents.

1.2.4 Local Transport Plan – the recently adopted plan for Lincolnshire provides an opportunity and a basis upon which to build a passenger transport strategy. The strategy would need to incorporate all of the Local Transport Plans, acting as an overarching strategy for the county.

1.2.5 Development of the statutory Enhanced Partnership – as part of the Bus Services Improvement Plan, whilst the Council was not successful in its funding application, the Enhanced Partnership remains a key priority because of the potential and benefits it

could deliver. In addition, the Department for Transport has allocated the Council funding for limited capacity over the next 2 years to implement this. The indication from the Department for Transport is that future funding streams surrounding public transport could be impacted by local authorities' commitment to alternative travel and alignment with the Government's new standards. The Enhanced Partnership is likely to become a key mechanism to demonstrate Lincolnshire's commitment and support to this approach.

- 1.2.6 **Educational Travel Transformation Programme** – a summary of the programme is provided in Appendix 1. This programme includes several different projects and has initially prioritised the transformation of all educational travel, but is now enabling the whole service to be transformed as the project is implemented and as the service becomes better integrated and more effective. For example, a service wide staff restructure is underway, which will provide a robust basis upon which the service can develop and improve. A dedicated Board oversees the programme, which is also part of the corporate transformation programme.
- 1.2.7 **TransportConnect Ltd** – the Council's own transport company is facing the same pressures as all transport operators and is going through a period of change as an organisation. The Council has an opportunity to review the company purpose and work in partnership to establish how the company can add value for passenger transport in Lincolnshire and enable the Council to achieve its objectives.
- 1.2.8 **Green Masterplan** – in order for passenger travel to align with this plan there needs to be work undertaken surrounding the supplier market in terms of the vehicles it uses, alongside an integrated approach to rail, cycling and walking and health.

1.3 Medium to long term priorities

- 1.3.1 Transport Services is working on the following key priorities, in order to maximise the opportunities and drivers for change, and in order to work towards establishing a Lincolnshire passenger transport strategy.
- 1.3.2 **Transport Services staff restructure** – this is due to be implemented in February 2023 and will establish a structure which is agile and has the required balance of operational delivery resource in addition to strategic focus.
- 1.3.3 **Educational Travel Transformation Programme** - the 3-year programme has clearly defined benefits and workstreams, and will remain a focus for the full length planned.
- 1.3.4 **Key performance measures and reporting** – a comprehensive forward plan of reporting to this Scrutiny Committee is being developed, to include separate, regular reports on public transport and TransportConnect Ltd. The meeting of this Scrutiny Committee in July 2022 received a report on the public transport network. As part of the Educational Travel Transformation Programme, a set of performance measures has been developed and a dashboard is being established – this is included in Appendix 1. This work now needs to be completed for the public transport activity, to enable a

passenger transport performance dashboard to be managed and reported on regularly, covering all types of transport.

1.3.5 This Scrutiny Committee is asked to consider the elements that could form part of measuring the performance of public transport for the residents of Lincolnshire. The following are proposed, and all potential elements will be researched for feasibility and applicability, in partnership with transport operators. It is proposed that the performance measures are developed in partnership with transport operators as part of the Network Review (see below) and would be reported on from April 2023.

- Punctuality of services
- Proportion of cancelled services
- Passenger numbers on all types of routes
- Geographical map view of network coverage and usage
- Bus pass numbers compared to the potential
- Bus pass usage levels
- Numbers of bus stops, shelters, and usage levels
- Benchmarking Lincolnshire against other comparable counties

1.3.6 Appendix 2 summarises some of the measures which have previously been reported on. The Scrutiny Committee receive separate reports on complaints relating to Transport Services. In relation to the performance of contracted transport suppliers, Transport Services managed circa 1500 contracts with 300+ suppliers. A new corporate report is being established on the Council's contracts, and it is the intention for this performance report to include the relevant extract for Transport Services once this is in place.

1.3.7 **Lincolnshire Network Review** – the county needs a sustainable, integrated network to meet the demand of our residents and visitors. A comprehensive review is being undertaken in partnership with transport operators. The review will enable the Council to develop principles for a passenger transport strategy and identify where the Council needs to support the network and where it could be commercial viable without Council intervention. Transport Services will engage with District and Parish Councils as part of the review and in developing the strategy. The review will deliver the following:

- An understanding of passenger demand levels across all passenger groups and travelling intentions, culminating in a summary of key data, intelligence and implications;
- A review of how effective and efficient the current network is at meeting the demand, including a summary of supply, risks, issues and opportunities;
- A proposal for a new sustainable network to meet that demand for the medium to long term. This includes ensuring all solutions are cost effective.

1.3.8 **Category Management Plan for Transport Supplier Market** – An important part of a passenger transport strategy for Lincolnshire will be a vision and strategy for the transport supplier market the Council needs to meet the needs of residents and visitors. As part of a partnership with the Commercial Team, a new Category Manager post for

transport has been established and the postholder is working with Transport Services on all of its contracting activity. In the medium to longer term, a management and development plan will be established in partnership with transport suppliers, to agree the market required as well as the opportunities and barriers involved. For example, technology developments have the potential to enable the market to deliver more effective and efficient services, and the type of vehicles the market utilises will need to develop in line with the Green Masterplan.

2. Conclusion

2.1 Transport Services is on a transformation journey not only in how effective it is as a service, but in establishing the passenger transport network the county requires.

2.2 The Highway and Transport Scrutiny Committee is requested to consider and comment on the detail of the report and recommend any changes or actions to the Executive Member for Highways, Transport and IT.

3. Consultation

a) Risks and Impact Analysis

None specifically as a result of this report. Service risks are identified, monitored and managed in accordance with the Council's Risk Management Framework.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Education Transport Transformation Programme
Appendix B	Public transport performance measures reported on to date

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Verity Druce, Head of Transformation Services, who can be contacted by email at Verity.Druce@lincolnshire.gov.uk.

Appendix 1 – Education Transport Transformation Programme

1. Background

Following a deep dive review by Edge Public Solutions, the 3-year Educational Travel transformation programme was established, categorised into 3 key areas: Efficiencies, Performance culture, and Shifting the offer. The programme is implementing all of the recommendations from the review, including: overall modernisation of a service largely untouched for 5 years; staff structural improvements; overhaul of all activity and processes, with a focus on efficiency and effectiveness; significantly improved supplier management and customer expectation management. The medium to long term goals are to create budget stability in a service which has shown an upward cost trend over many years, alongside a legacy of a high performing service with the skills and expertise to maintain that high performance.

The programme benefits will be:

1. £5,180,600 saving by end 2025/26
2. Reduction in the average daily cost of transport per passenger from £2,131 baseline
3. Increased number of value for money Personal Travel Budget (PTB) arrangements from baseline of 71 arrangements

The cost of educational travel has been impacted by a number of external factors out of our control, including: national living wages rise, inflationary challenges, a national drivers' shortage (including more favourable pay rates in other delivery sectors), a shortage of passenger assistants, rising fuel prices; higher operational costs for larger operators including requirements of the Public Service Vehicle Accessibility Regulations 2000 (PSVAR) legislation, and an increase in placements to specialist settings for pupils with special educational needs. Fundamentally, however, internal practice and the level of supplier market management and engagement, has had a significant impact on costs.

The Council currently has 19,159 eligible pupils on transport, which is 17.6% of the 108,830 children currently with a school place in Lincolnshire. For non-eligible pupils, there is a scheme whereby any spare seats on transport can be applied and paid for at a rate which is usually cheaper than a commercial bus route.

2. Achievements to date

Our transformation delivery partner, Edge Public Solutions, were commissioned from October 2021 to provide significant capacity and expertise including a de facto Transport Manager. Significant progress has been made and has only been possible due to the combined leadership, management, capacity and capability provided by Edge and the Head of Transformation Transport, working closely with the Assistant Director Communities, which has enabled a fast pace of change and change based on robust practice and experience. A strong and cohesive leadership and management structure and approach is fully embedded, and forms the essential foundation for successful transformation. Many of the achievements to date are qualitative and include significant improvements with the following key areas:

- Reporting, including oversight by Councillors;
- Control and management of costs, contracting, decision making and practice across eligibility and operational management;
- Creating a high performing culture, with high levels of accountability, in part through coaching and mentoring from Edge colleagues to create sustainable expertise development;

- IT system use and management;
- Robust financial forecasting;
- Schools, suppliers and customer engagement and relationship management;

A service-wide restructure consultation started in July, and the proposed new structure will be an essential the springboard to establishing a high performing service. The new structure will be in place in February 2023.

The partnership with Edge has also delivered more tangible, quantitative achievements. We have started the first of a series of major retender exercises over the next 2 to 3 years, utilising a newly created Dynamic Purchasing System¹. Initial results from the first set of tendering auctions are showing reductions in the cost of routes against a general backdrop of rising prices, and each geographical area has seen a reduction in routes through optimisation work. Underpinning this and as a direct result of intensive engagement with suppliers, 300+ suppliers are now actively engaged, compared to 200 active suppliers previously. This demonstrates the lack of market management practice and the positive impact of transformation activity, in partnership with suppliers.

Through taking control of operational transport management, contracts have been amalgamated and optimised, and contract, financial and passenger data has been cleansed, overhauled and error rates drastically reduced.

In order to manage and monitor Education Travel performance transformation, the following performance measures will be used, and a dashboard created:

Average Cost Per Passenger	Passenger Assistant Usage	Active Personal Travel Budgets
Rate of Single Occupancy	Vehicle Utilisation	Eligibility Approval
Quality of Eligibility Decision (Appeals Upheld)	Travel Training Usage	CO² reduction

The baselines and desired trends are noted below:

£2,131 ↓	265 ↓	71 ↑
TBC ↓	Under Development	55% ↓
75% ↓	10 →	Under Development

Reframing of the educational travel offer and changing language we use is an important part of how we communicate with stakeholders. A key workstream has been to ensure that eligibility decision making is more robustly aligned to the School and College Transport Policy. In addition, the service is using alternative travel options for passengers, ensuring

¹ A Dynamic Purchasing System (DPS) is an online tool for procurement purposes, whereby suppliers must apply to join and meet defined criteria, in order to bid on contracts. The new LCC Transport DPS will replace the previous Approved Operators List for transport operators.

that where options are available, educational travel is not necessarily a door-to-door service, as the Council is not required to provide this.

We are at the beginning of our 3-year transformation journey – stabilisation has been essential. Delivering the full project benefits and realising our ambitions of service excellence will require the continued application of resources, and the development of the capability and expertise of the Transport Services.

Appendix 2 – Public transport performance measures reported on to date

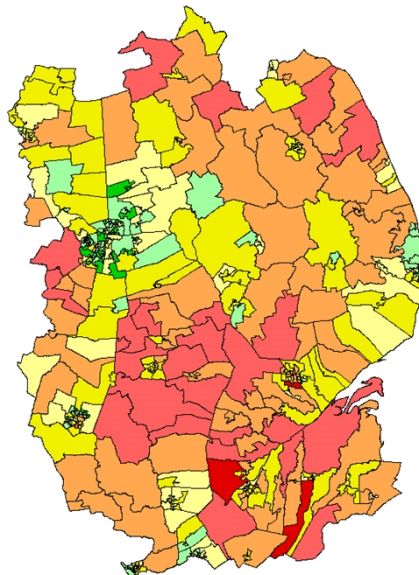
ENCTS bus passes

The English National Concessionary Travel Scheme (ENCTS) gives free travel on local buses to people of state pension age, and to people with certain physical disabilities. Passes can be used across England after 9.30am on weekdays and anytime at weekends – although Lincolnshire residents can use passes within Lincolnshire before 9.30am. Passes can be used on all bus routes, including CallConnect. Bus companies are reimbursed by LCC for any passenger who travels with a bus pass.

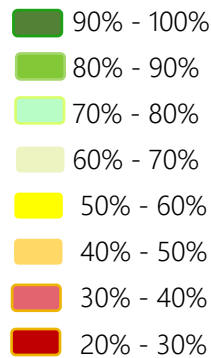
- £6.1M** is reimbursed to bus operators each year
- 106,600** active ENCTS passes in Lincolnshire – **99,900** for older people – **6,700** for disabled people
- 55%** of older people in Lincolnshire have a pass
- 2750** passes processed and issued per month (**1,300** expire each month)
- 100%** of passes issued by Transport Services within 10 days of applying – the average turnaround time is **7** working days



Lincolnshire divided into Lower Super Output Areas



Percentage of older people with an ENCTS pass



CallConnect

36 CallConnect buses in operation

15,000 average calls answered per month

20,500 average passengers carried every month

Number of journeys

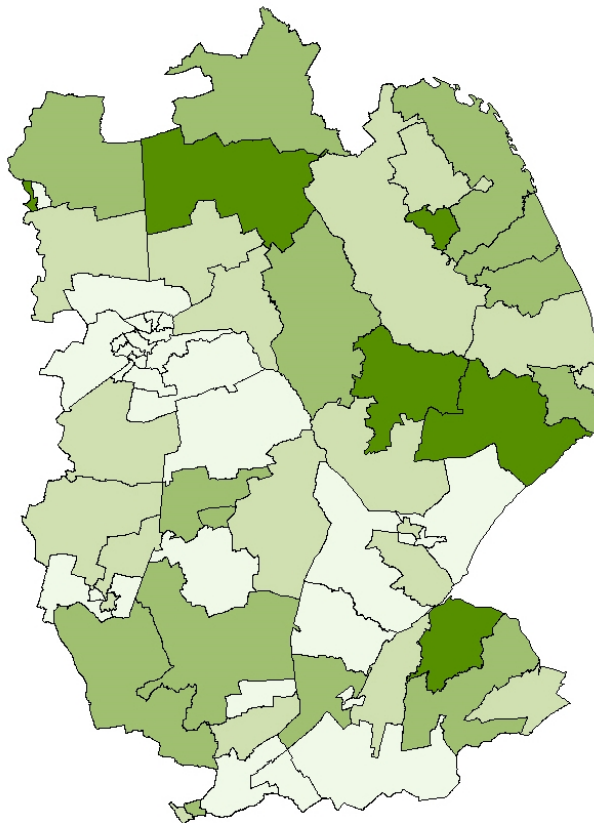
0 to 500 journeys

500 to 1000 journeys

1000 to 1500 journeys

1500 to 2000 journeys

2000 to 2500 journeys



Bus Stop Infrastructure

There are around 6,500 designated bus stops in Lincolnshire. There is no standard infrastructure at a Lincolnshire bus stop. Some might have a bus shelter, some might have a pole with a timetable, some are simply a flag attached to a lamppost and other are completely unmarked. LCC is responsible for much – but not all – of the infrastructure at bus stops.



2,000 bus stop poles – LCC is responsible for all of these, many of which will also have timetable cases that LCC update.



700 bus shelters – LCC is responsible for some of these, but most are owned by district councils, parish councils or private companies. Many shelters contain timetable cases that LCC update. LCC also provide grants up to £3,000 to parish councils to install bus shelters.

This page is intentionally left blank